



GOING FORWARD...

Mayor Abramson's COOL program and economic development staff will utilize this data to encourage new and expanding real estate and business investment by both local and national retail entities, especially where there are retail service gaps throughout Louisville.

As part of that effort, the data will be used to offer a baseline for the upcoming "Cash Economy" drill-down study of the neighborhoods in Louisville whose residents tend to utilize cash, rather than credit cards, to purchase retail goods and services. Because national retailers look at the paper trail left by credit card usage to predict sales for a potential new store, these neighborhoods are at a disadvantage when recruiting these retailers. This drill-down study, being conducted by Social Compact Inc., will accurately document the true market power of these neighborhoods, and may show even greater market potential than previously known.



For more information contact:

Office of the Mayor
502.574.1908

C. Bruce Traughber, Director
John Fischer, Assistant Director
Economic Development Department

444 S. 5th Street, Suite 600
Louisville, KY 40202
502.574.4140
john.fischer@louisvilleky.gov

www.louisvilleretail.info
www.louisvilleky.gov

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Louisville
POSSIBILITY CITY.



Jerry E. Abramson
Mayor

Louisville **RETAIL** Market Study

EXECUTIVE SUMMARY



WHY WE NEEDED THE STUDY...

In 2002, while campaigning to become Mayor of Louisville Metro, Jerry Abramson heard from citizens across the city requesting needed neighborhood retail services, such as sit-down restaurants, grocery stores, corner drug stores and department stores.

After being elected, Mayor Abramson created a new component of Metro Government, focused on supporting and developing retail services in every neighborhood of the merged city — the Corridors Of Opportunity in Louisville program. COOL is administered by the Economic Development Department.

The department has had significant success, from helping bring a new Kroger to the Portland neighborhood to the renovation of Westport Village as a shopping center with a town center atmosphere.

COOL has assisted local businesses, such as Wick's Pizza and Heine Brothers Coffee, to expand into new areas of town and it has worked with national chains, like PF Chang's and Starbucks, to open new restaurants and stores in Louisville neighborhoods.

To take COOL, considered a national model, to the next level, the Mayor needed data showing the untapped market potential of underserved neighborhoods.

In September 2007, the City hired Strategy 5 to complete the Retail Market Study.



WHAT THE STUDY SAID...

Louisville is the retail hub for the 1.36 million people who live in the 16-county region that includes Southern Indiana. The city has eight of the 10 largest shopping centers in the region, and is home to 119 retail centers comprising 17.7 million square feet. People come to the city to eat, to shop and for entertainment.

As a whole, the study found that Louisville has a surplus of retail services, but generally needs more clothing and electronic and appliance stores. In addition, each part of the city is underserved to some degree in one or more categories. An undersupply in areas means that people must travel to others parts of Louisville to access retail goods and services. This scenario is common in most American cities.

Strategy 5 studied the Louisville market by dividing the city into five zones which mirror the zones in which the COOL staff work (see map):

Dixie — 18th Street west to the Ohio River/county line, including Portland south to Valley Station and beyond.

Central — the area between I-65 and 18th Street, including Old Louisville, Churchill Downs area, the airport, to the county line

Bardstown — the area between I-64 and I-65, including the Highlands, Hikes Point, Fern Creek, to the county line.

Downtown — the central business district and immediately west and east.

Northeast — all areas of Louisville north and east of I-64 to the Ohio River and county line.

Some conclusions about these zones:

Dixie Zone — needs more General Merchandise, Clothing, Clothing Accessories, and Full Service Restaurants. The study shows that this zone is well served by grocery stores, except two neighboring zip codes which can support one new additional grocery store in the Park DuValle area.

Central Zone — needs an additional grocery in the northern portion of the zone, and needs General Merchandise, Apparel, Furniture, and other stores in the southern portion of the zone near I-265.

Bardstown Zone — can support a wide range of additional retail establishments on Bardstown Road, just outside of I-265.



RECOMMENDATIONS:

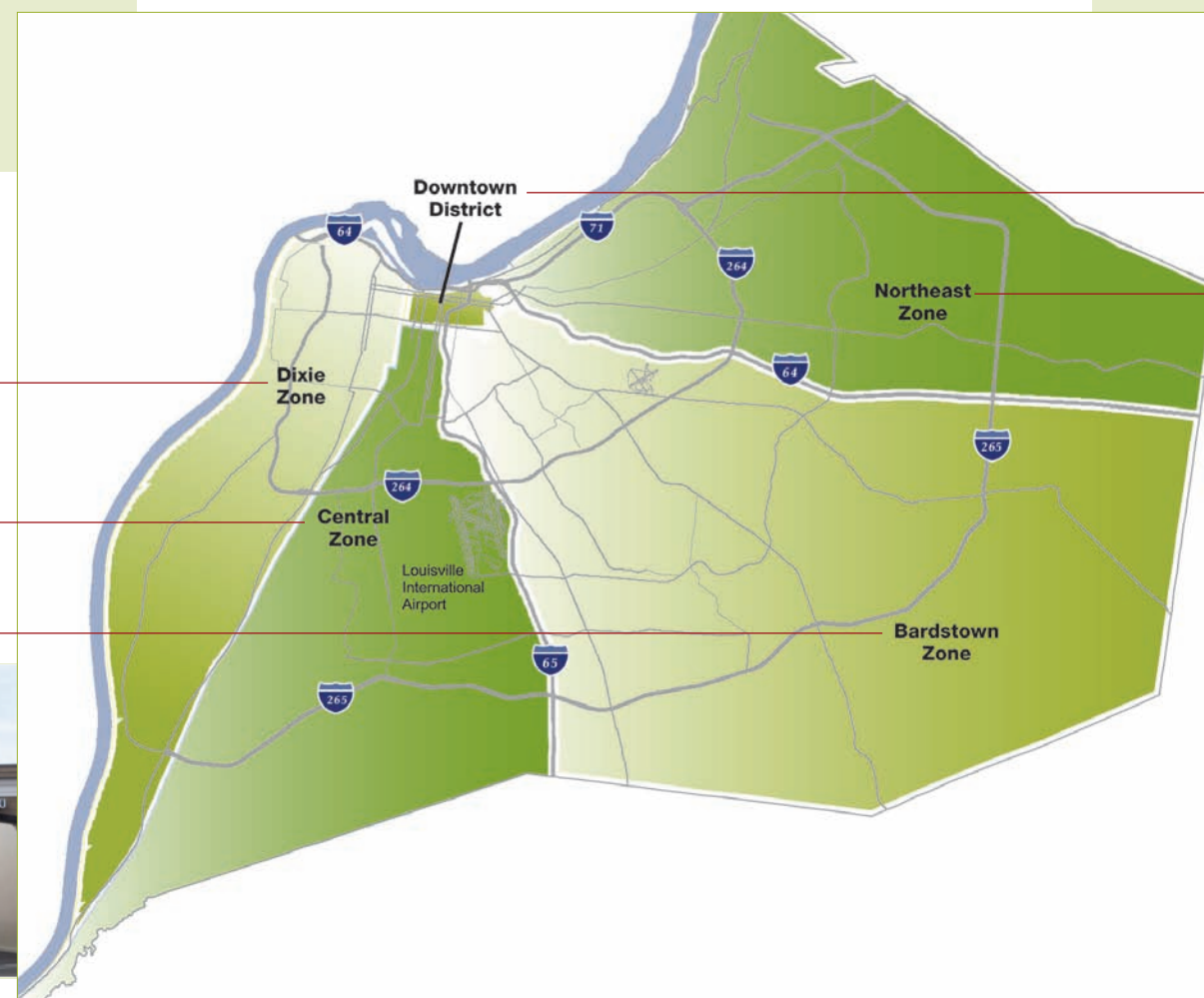
“Activity Centers,” or dense neighborhood commercial areas (i.e., Hikes Lane and Taylorsville Road), should be utilized in land use planning (Land Development Code) to focus/plan where new investment should occur.

Mixed-use is the preferred form of future development and redevelopment.

A Local Option Sales Tax should be pursued as a useful economic development tool. This is an opportunity for the city to augment the state sales tax in a limited geographic area, which would generate additional resources for infrastructure and other needs.

Updates to current form districts and other land use designations should be pursued in areas with retail opportunity gaps.

The Retail Study should be updated annually by economic development staff and augmented with additional information resources and analysis.



Downtown — there is an appropriate number of stores downtown, compared to its residential population. Given that downtown also serves daytime workers, conventioners, tourists and spectators, however, there is increasing demand for more retail establishments.

Northeast Zone — there are small gaps in Home Improvement and General Merchandise in specific areas. Potential future gaps include Supermarkets and Pharmacies.

